

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board **DATE:** October 12, 2011  
**FROM:** Office of General Counsel and **SUBJ:** Final Rule – Part 705  
Office of Small Credit Union Initiatives

**ACTION REQUESTED:** Board issuance of the attached final rule.

**DATE ACTION REQUESTED:** October 27, 2011.

**OTHER OFFICES CONSULTED:** All Regional Directors, E&I, and Executive Director.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**RESPONSIBLE STAFF MEMBER:** Pamela Yu, Staff Attorney, Office of General Counsel and Pamela Williams, Program Analyst, Office of Small Credit Union Initiatives.

**SUMMARY:** The attached final rule significantly revises Part 705 of NCUA's Regulations, which governs the process by which the agency solicits, receives, evaluates, and acts on credit union applications seeking loans and technical assistance grants from the Community Development Revolving Loan Fund. The changes update the current rule to improve transparency and are intended to improve its organization, structure, and ease of use by credit unions. The rule also removes unnecessary detail and outdated processes in the current rule while adding clarification and flexibility. Only minor changes were made to the proposed rule which was issued by the Board in May.

**RECOMMENDED ACTION:** Recommend the Board issue the final rule with an effective date 30 days after publication in the Federal Register.

**ATTACHMENT:** Draft Final Rule.